



Foreign Agricultural Service

GAIN Report

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Czech Republic

Sugar

Annual

2003

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Report Highlights: The Czech Republic has a new sugar production quota for MY2003/2004 of 455,000 MT. This is a result of accession negotiations between the EU and the Czech Republic. The quota will be distributed among 13 sugar refineries. No major changes in import/export numbers and policy are expected.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Vienna [AU1], EZ

The Czech Republic is neither a competitor nor a market for the U.S.

After negotiations in Copenhagen in December 2002, the Czech Republic and the EU reached an agreement on a sugar production quota for the Czech Republic. For MY 2003/2004 it will be 455,000 MT. The quota will be distributed among 13 sugar refineries.

The number of sugar refineries dropped from 52 in the early 1990s to the current 13. The consolidation was caused by excess refining capacity. Exports to Slovakia decreased significantly after the split of Czechoslovakia, imports of sugar cane from Cuba ended in 1991, and drop in world sugar prices caused many refineries to close shop. Also privatization of sugar industry resulted in higher productivity and the closing many refineries. The problem of Czech sugar industry is very low average processing capacity. In the EU, the average is about three times higher and these refineries are therefore more competitive.

After the Czech Republic becomes a member of the EU in May 2004, sugar prices are expected to rise by 50 percent. Sugar production will be maintained at the level of the negotiated production quotas. Production over the quota would have to be sold for world prices.

Sugar production		Sugar prices	
MY	1,000 MT	Year	Average price in CZK /kg
1995/1996	477	1995	15.6
1996/1997	610	1996	15.5
1997/1998	532	1997	11.9
1998/1999	470	1998	13.8
1999/2000	395	1999	15.0
2000/2001	434	2000	17.2
2001/2002	491	2001	18.2
2002/2003	523	2002	17.8

(Exchange rate: April 2003: 1\$ = 32 CZK)

PSD Table						
Country:	Czech Republic					
Commodity:	Sugar					
		2002		2003		2004
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Beginning Stocks	110	111	70	71	10	109
Beet Sugar Production	483	491	480	540	0	455
Cane Sugar Production	0	0	0	0	0	0
TOTAL Sugar Production	483	491	480	540	0	455
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	110	142	110	136	0	120
TOTAL Imports	110	142	110	136	0	120
TOTAL SUPPLY	703	744	660	747	10	684
Raw Exports	0	0	0	0	0	0
Refined Exp.(Raw Val)	210	223	200	183	0	170
TOTAL EXPORTS	210	223	200	183	0	170
Human Dom. Consumption	450	450	450	455	0	450
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	450	450	450	455	0	450
Ending Stocks	70	71	10	109	0	64
TOTAL DISTRIBUTION	730	744	660	747	0	684

Export Trade Matrix			
Country:		Units:	
Commodity:			
Time period:			
Exports for	2002		2003
U.S.		U.S.	
Others		Others	
Total for Others	0		0
Others not listed			
Grand Total	0		0

Import Trade Matrix			
Country:		Units:	
Commodity:			
Time period:			
Imports for	2002		2003
U.S.		U.S.	
Others		Others	
Total for Others	0		0
Others not listed			
Grand Total	0		0